Questar pricing method is given initial approval

Deseret Morning News 190 words 14 September 2006 Deseret Morning News

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Utah's utility consumer advocate, the Utah Committee of Consumer Services, approved a settlement Tuesday in the **Questar** Gas Conservation Enabling Tariff Adjustment proceeding before the Utah Public Service Commission.

The new pricing method would change how **Questar** collects roughly \$214 million in revenues to cover fixed costs.

Instead of collecting revenues based on consumer usage, the utility would be allowed to pass any shortfalls automatically on to customers. At the same time, if the utility collected more than \$214 million -- an amount the PSC authorizes -- customers would see a rate decrease.

The consumer committee had raised objections to the new pricing method. In June, a committee official said it represented a major deviation from the way utility rates have been determined in the past.

However, Questar has promised that by cutting the link between its revenues and the volumetric usage of natural gas, the utility would be free to launch an aggressive campaign of energy efficiency programs.

If approved by the Public Service Commission, the settlement would implement a three-year pilot program to develop natural gas conservation measures.